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AVIATION SAFETY COMMISSION

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August 11), 1986

Mr. DANFORTH, from the Committee on Commerce, Science, and
Transportation, submitted the following

REPORT

[To accompany S. 2417]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2417) to establish the Aviation Safety Commission, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill do pass.

PURPOSE OF THE BILL

S. 2417, as reported, would require the President to establish a seven-member Aviation Safety Commission (Commission), to undertake a complete study of the organization and functions of the Federal Aviation Administration (FAA) and the means by which it may most effectively and efficiently perform its responsibilities with respect to aviation safety. The Commission shall report its findings and any recommendations for legislative and administrative actions to the President and Congress no later than 9 months after the date of enactment of the legislation.

BACKGROUND AND NEEDS

Last year, nearly 2,000 people died in accidents involving commercial air carriers around the world. Of those, 526 lost their lives aboard U.S. carriers. It was one of the worst years ever in terms of

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lives lost, and was the worst year for air accidents since Congress deregulated the domestic airline industry in 1978.

On August 31, the United States suffered its first major aviation accident of 1986 with the mid-air collision of a commercial jetliner, and a small plane over Southern California. This only added to the concern about whether there is further erosion of the margin of aviation safety. Some observers have focused attention on the FAA and its ability to ensure the safe control of aircraft, such as the record number of near-misses between aircraft, as well as its ability to enforce the maintenance and safety standards developed for the airlines. While the Secretary of Transportation has called for the hiring of more individuals to handle these critical responsibilities, there continues to be concern with the FAA's effectiveness in ensuring safety in these areas.

Several aviation user groups have developed alternative organizational proposals for improving aviation safety and ensuring that the FAA receive the funding it needs to enforce safety. One such proposal calls for the removal of the FAA from the Department of Transportation, establishing in its place an independent agency. Another group has called for the creation of a public corporation to collect aviation user fees and administer the airport development and airway modernization programs.

In addition, arguments have been raised that deregulation, with its pressures to cut costs, has encouraged the airlines to take shortcuts in operations or maintenance that may not have happened prior to 1978, and which could ultimately result in the tragic loss of lives.

The need to address adequately these concerns and proposals will require significant review and analysis of the current structure of the FAA and its mission, as well as how it has moved into deregulation. Such a review must be done prior to congressional authorization of the next phase of the \$12 billion airport and airway development program, which expires at the end of fiscal year 1987.

The most effective means of conducting this review is by an impartial group of individuals well versed not only in aviation, but the management of large and complex organizations, such as the FAA. S. 2417 was introduced to address the need for such a study. It calls for a short-term independent review of the FAA and its role in ensuring aviation safety. This legislation is needed to assist the Congress in understanding fully the extent of any current problems, of the FAA, as well as the ramifications of major changes that might be proposed to the FAA's structure and mission.

LEGISLATIVE HISTORY

S. 2417 was introduced on May 7, 1986 by Senator Byrd, and Senators Hollings, Exon, Ford, and Rockefeller. Since then, other Senators have joined in cosponsoring the bill, including Senators Proxmire, Lautenberg, Long, Riegle, Kassebaum, Andrews, Simon, Chiles, Kasten, Matsunaga, Sarbanes, and Goldwater.

On July 17, 1986, the Subcommittee on Aviation held a hearing on S. 2417. Representatives from the Air Transport Association, the Air Line Pilots Association, the National Air Traffic Controllers Association, the Professional Airways Systems Specialists, and the

Aviation Safety Institute testified in favor of S. 2417. Other witnesses, including the National Transportation Safety Board (NTSB), the Regional Airline Association and the Aircraft Owners and Pilots Association, took no position with respect to this legislation. The bill was opposed by the FAA.

On August 7, 1986, the Committee met in open executive session to consider S. 2417. Senator Exon offered an amendment in the nature of a substitute, which was agreed to without objection. The Committee without objection, then, ordered S. 2417 reported favorably.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 15, 1986.

Hon. JOHN C. DANFORTH,
Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 2417, the Aviation Safety Commission Act of 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2417.
2. Bill title: Aviation Safety Commission Act of 1986.
3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation, August 7, 1986.
4. Bill purpose: S. 2417 would direct the President to appoint a commission to study the organization and functions of the Federal Aviation Administration (FAA). This commission would be composed of seven members appointed by the President and would be required to submit a report to the President and to the Congress within nine months after enactment. The bill directs the commission to study the organization and functions of the FAA and the means by which that agency may most efficiently and effectively meet its legal responsibilities and increase aviation safety. The commission would cease to exist after submitting its report.
5. Estimated cost to the Federal Government:

S. 2417 authorizes appropriations of \$2 million for fiscal year 1987 to carry out these requirements.



(By fiscal years, in millions of dollars)

	1987	1988	1989	1990	1991
Authorization level.....	2				
Estimated outlays.....	2				

The costs of this bill fall within budget function 400.

Basis of estimate: CBO assumes that all funds authorized by the bill will be appropriated for fiscal year 1987. Outlays are expected to occur in 1987, because the commission is required to report within nine months of enactment.

6. Financing mechanism: This legislation authorizes funding to be provided in subsequent appropriation bills. This cost estimate shows the amount of budget authority that is authorized to be appropriated in 1987. The estimated outlays are those that would be generated if the Congress chooses to fully fund the authorized amounts.

7. Estimated cost to State and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Marjorie Miller.

11. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

The bill would direct the President to establish the Commission to study aviation safety and the role of the FAA in ensuring safety. The seven Commission members will serve without compensation.

In view of the fact that this bill calls for a study of a Federal agency and its existing regulatory responsibilities, it is not expected to add any significant regulatory burden on air carriers, operations of general aviation aircraft, airports, or any other segment of the aviation industry. In addition, the Committee does not anticipate that S. 2417 will affect the personal privacy of individuals or impose any new paperwork burdens.

SECTION-BY-SECTION ANALYSIS

Section 1.—Short title

The first section provides that the short title of the legislation is the "Aviation Safety Commission Act of 1986".

Section 2.—Commission established

Section 2 directs the President to appoint seven individuals, including a Chairman, to the Commission to undertake a study of the FAA and its safety-related activities, as established in section 3 of the bill. The President is directed to appoint the seven Commission members no later than 30 days after the date of enactment of this legislation.

The appointees to the Commission shall possess extensive experience and expertise at the highest levels of public or corporate management. No more than three members may be involved in any business concern in air commerce or any aviation-related industry at the time of appointment. For the remaining four members of the Commission, including the Chairman, there must have been at least a 3-year break in their involvement in any aviation-related industry prior to their appointment. No member of the Commission shall be an employee or officer of the Federal Government at the time of appointment, and no member shall have been an employee of the Federal Government for at least 3 years prior to being appointed.

By establishing these restrictions, the Committee intends that people from a variety of backgrounds, with experiences in the management of large and complex organizations, be considered for appointment to the Commission. It became clear at hearings before the Subcommittee on Aviation on S. 2417 that there should be no prohibition on the appointment of members with an expertise in aviation. It is the Committee's view that the appointment of individuals with a mix of professional experiences and political backgrounds will result in the most productive and useful report.

This section also directs the Commission to hold its first meeting within 30 days after the appointment of all seven members.

Section 3.—Functions of the Commission

Section 3 directs the Commission to undertake a complete study of the organization and functions of the FAA and the means by which it may most efficiently and effectively perform the responsibilities assigned to it by law and increase aviation safety. In conducting its study, the Commission is directed to consider, among other things, whether (1) the FAA has adequate resources, and has used those resources in the most efficient manner, to ensure aviation safety; (2) the dual responsibilities of the FAA to promote aviation and ensure safety are in conflict and, if so, whether that conflict impedes the enhancement of aviation safety; (3) the FAA should be reorganized as an independent agency with aviation safety as its sole responsibility; (4) the promotion of commercial aviation should be assigned to another Federal agency; (5) airline deregulation has had an adverse effect on the margin of aviation safety; and (6) the feasibility of making mandatory some or all of the safety recommendations issued by the NTSB.

The Committee does not intend that the Commission limit its study solely to these issue areas. The examination of these issues is merely a minimum of what is expected of the Commission. It is also expected that the Commission will focus some of its energies on the FAA regional offices and the role they play within the FAA. As a decentralized agency in terms of policymaking and the implementation of that policy, it is important that the Commission understand the role of the FAA regional offices and how they affect the development and enforcement of safety standards.

In reporting its findings, the Commission is also directed by S. 2417 to make recommendations on the need for legislative action on the most appropriate and effective organizational approach for ensuring aviation safety, as well as any measures to be taken to

improve the enforcement of Federal regulations relating to aviation safety.

The Commission is directed to consult with a broad spectrum of experts in the aviation industry in order to complete this study, including air traffic controllers, representatives of commercial and civil aviation, airways facilities technicians, and former FAA Administrators, as well as independent experts on aviation safety.

Section 3 requires that within 9 months after the date of enactment of the legislation, the Commission shall submit its report, findings, and recommendations for legislative and administrative actions to the President and each House of Congress. Upon completion and submission of the study, the Commission shall cease to exist. This timeframe for reporting is critical, for by next summer the Committee will be developing legislation to extend the Airport and Airway Improvement Act of 1982, which authorized spending for airport improvements and modernization of the air traffic control system and expires on September 30, 1987.

Section 4.—Powers and administrative provisions

Section 4 establishes the powers and administrative provisions of the Commission, such as the authority to appoint an executive director and staff in support of its activities. It requires that the executive director meet the same qualifications, established in section 2(b) of the bill, as are required of the Commission members.

This section also requires that other Federal agencies provide the Commission with such information as it may consider necessary in order to conduct this study. In addition, the head of any Federal agency may detail, on a reimbursable rate, any personnel needed to assist the Commission in carrying out its duties.

Section 5.—Compensation of members

Section 5 provides that the members of the Commission shall serve without compensation, but shall be eligible for reimbursement of certain expenses.

Section 6.—Authorization of appropriations

Section 6 authorizes \$2,000,000 in fiscal year 1987 to carry out the provisions of the bill.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.